RV BUSINESS

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NOVEMBER 5, 1990

DODGER SHOW: The L.A. RV Show at Dodger Stadium in Los Angeles, Calif., the oldest RV event in the United States, will feature exhibits by more than 70 manufacturers and 92 suppliers. See page 22.

Motorhome Chassis to Get Higher '91 Prices, Value

Motorhome-chassis suppliers generally took only moderate price hikes for 1991, but many RV manufacturers still believe Detroit chassis makers could have shown more restraint, particularly in pricing their Class C units.

For example, Ford Motor Co., Dearborn, Mich., whose E-350 chassis is the major Class C base, bumped the suggested price of its E-350 RV cutaway with a 138-inch wheelbase and dual rear wheels by $605 to $15,545, up from $14,940 last year, according to Ford's light-truck pricing official, although at the wholesale level, Ford is still giving the same $800 off-invoice discount on this chassis. Going into 1991, Ford has about 80%-85% of the Class C chassis market.

Meanwhile, the price of Ford's F-Super Duty motorhome chassis, used with Class As, dropped to $15,358 for 1991, down from $15,843. However, Ford did away with a $1,000 invoice credit, or discount, at the wholesale price level, so that there is an overall $515 increase on the chassis.

And Ford's price on the E-350 RV stripped chassis with the 158-inch wheelbase and dual rear wheels, used for small Class As, also has dropped to $13,117 for 1991 from $13,356 last year. Ford also added about $288 worth of equipment to the chassis, bringing the overall price reduction to $527. However, at the wholesale level, Ford dropped the $800 invoice discount it had been offering, resulting in a net increase of about $273 on the small Class A chassis.

Those figures – and similar pricing decisions by General Motors (GM) Corp. – indicate that the prices of Class A rail and Class C chopped-van chassis from Detroit have begun competing with each other. With the price of Class As paralleling those of Class Cs, manufacturers are re-assessing their products and putting more motorhomes on Class A rails, which have greater weight capacities.

RV manufacturers are ques-

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Budget Plan Gets Industry Scrutiny

Although the deficit-cutting proposals hammered out during eleventh-hour wrangling over a budget accord appeared to contain few negatives for the RV industry, industry observers were willing to express only "cautious optimism" over revenue-and-spending measures as *RV Business* went to press on Oct. 17. Most characterized the budget confrontation as just one battle in a war that seems likely to continue for some time, as the president and lawmakers attempt to reverse the rising federal deficit.

At least two aspects of potential concern for the industry appeared likely to survive in any deficit-reduction package eventually crafted: a hike in the federal gasoline tax and new excise taxes on luxury goods, including luxury cars, furs, jewelry, boats and private airplanes. Recreational vehicles, however, had not been included in luxury-tax proposals.

Bob Strawn, RVDA executive

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INDUSTRY DOWN, BUT NOT OUT

GAYLORD MAXWELL

The August report based on sales reports from our Dealer Advisory Board (DAB) showed conclusively that the Persian Gulf crisis had affected RV sales. Although the report had many negative factors, it included a very positive aspect in that the downtrend was as slight as it was. The RV market had not collapsed as it did in the two previous oil crises. However, it could be that the worst is not over, and the smart dealer will be prepared for the worst.

August of this year showed our DAB down 16% in total dollars taken in; two-thirds of the members were down in dollar-sales volume.

Unit sales were off in both new and used. Four of the five RV types were down in sales of both new and used units.

Grosses were reported as generally fair to good, but bottom lines got poor to good marks. Higher selling costs hurt. One member reported his first August loss in over three decades of business. While used sales were off in number of units, those that were sold brought good grosses.

Inventories (both new and used) tended to be higher than normal. Traffic was definitely off, and new buyers were scarce.

As one of our members predicted, it looks like a long, hard winter ahead.

Motorhomes

Sales of new motorhomes were off for the month, as they had been all year. Some dealers reported a pickup in Class C's. Eight DAB members reported that new-unit sales were off; seven said they were in the plus column. Used sales were equally sluggish. Grosses were generally rated good on both new and used.

The year-to-date picture stayed about the same. Both new and used units were down in terms of total sales, and about two-thirds of our dealer members were down individually.

Used sales were off... but those that were sold brought good grosses.

With the price of gasoline high and climbing, and the possibility of a shortage, it would be illogical to believe that business will continue "as is." That sales of motorhomes will be down is certain; only the degree of drop is in doubt.

Travel Trailers

The upward trend of new trailer sales was finally broken in August. The drop was minor, but it is probably significant that there was a decline at all after so many "up" months.

New-unit sales were off only 3%, but used merchandise really felt the pinch. Eight DAB members were down in new units, while an equal number were up. However, 12 were down in used, and only four were up. One would have to conclude that first-time buyers were not as active as they were last year. Grosses were reported as generally good.

The year-to-date picture for this category remained upbeat in both new and used units. Fifteen members were up, with only three down.

Detroit already has reported a renewed frenzy for smaller cars – a fact that suggests that the recent upswing in big-car (tow-rig size) sales will decline. That factor and the downturn in used-unit sales rather dims the picture for the future.

Truck Campers

New-unit sales were off by only three units, but they were down. The demand for used obviously hit bottom. Of our three strong camper dealers, two were down, and one was up (all by only a unit or two). Grosses were rated as fair to good.

Year-to-date figures were similar to those for August – down slightly.

Folding Camping Trailers

Although the numbers weren't large,

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE
MOTORHOMES	153	173	−12	1,146	1,386	−17	164	188	− 13	1,249	1,376	− 9
TRAVEL TRAILERS	104	107	− 3	998	872	+14	104	131	− 21	863	849	+ 2
TRUCK CAMPERS	27	30	−10	244	271	−10	10	26	−160	156	126	+24
CAMPING TRAILERS	66	56	+18	779	755	+ 3	38	39	− 3	250	276	− 9
FIFTH-WHEELS	45	55	−18	406	357	+14	29	35	− 17	224	219	+ 2

	FOR MONTH			YEAR-TO-DATE		
	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE
SALES VOLUME	$15,114,000	$18,013,000	−16	$120,116,000	$130,049,000	−8
TOTAL UNIT SALES	740	840	−12	6,315	6,487	−3
NEW-UNIT SALES	395	421	− 6	3,573	3,641	−2
USED-UNIT SALES	345	419	−18	2,742	2,846	−4

The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McMann,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindland,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Leonard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Dolores McNally,** Portland, Ore.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

monthly new-unit sales were well ahead of last year in August. Used sales were off by one unit. Grosses were generally rated good to fair.

This category remained slightly ahead of last year in year-to-date sales of new units. Most of the larger dealerships stayed very close to last year's numbers.

The season was over for this year by August. As with all other types, who knows what '91 will bring?

Fifth-wheels

The drop in new-unit sales was greater during August than it had been for any month in recent memory. Although the numbers weren't large, most fiver dealers were behind last year by a unit or two.

Year-to-date, they were about evenly divided between those who were up and those who declined. However, all of the larger dealerships were up. Grosses were generally reported as good or excellent for the month.

Older people generally are the fifth-wheel buyers; older people tend to be conservative. It will be interesting to see how they weigh the additional fuel costs with their desire to have comfortable living quarters in the Sun Belt. Δ

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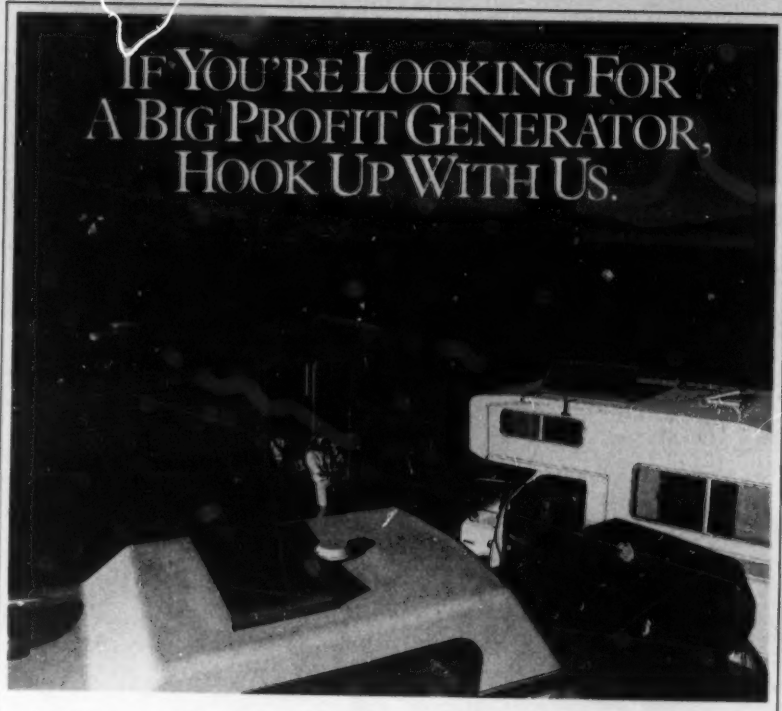

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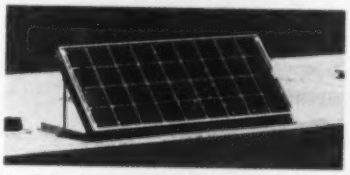

Available in 45-watt (self-regulating) and 51-watt (high power) kits. Both are rated at over 3 amps and covered by Kyocera's full 12-year replacement warranty.

So if your aftermarket sales could use a boost, call us for all the details about the best solar panels at 1-800-537-0294. We might have just the profit generator you've been looking for.

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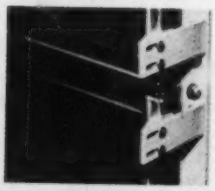

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